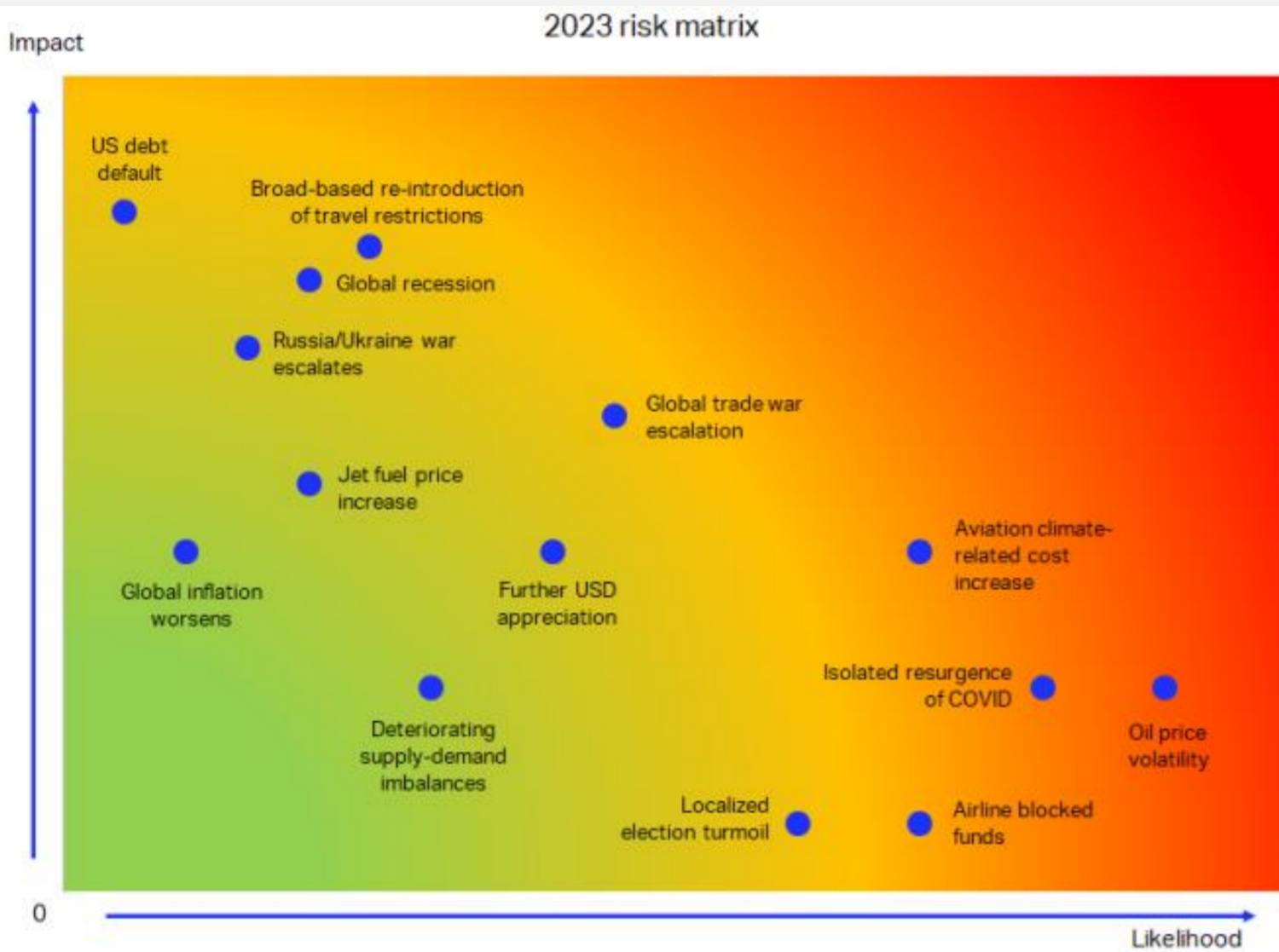


## Dear Colleagues,

While the new year is still young, we anticipate a wide array of challenges for our industry throughout 2023, from the high cost of fuel to the strong US dollar to consumer protectionist policies.



IATA put together the above [risk matrix](#) for 2023, highlighting some of these global challenges for aviation and providing [a more detailed analysis](#) of what we can anticipate in the new year for each area.

Unfortunately, across the Americas, many Governments have also seemingly reverted to pre-pandemic thinking to utilize air transport as a cash cow for taxation purposes or overregulating the industry instead of seeing aviation as an equal partner that can drive the region's overall recovery from COVID. We are closely working with our member airlines and fellow associations to engage the various authorities across the region and urge them to follow global best practices and ensure aviation has a seat on the table of these important strategic decisions. We are finalizing our regional strategy and priorities for the new year which I will share with you next month.

Please find IATA's most recent activities below and do not hesitate to reach out to me directly if you have any questions or suggestions for further actions. On behalf of the entire IATA team, we look forward to working with you in 2023 to ensure aviation can play its critical role as an enabler of socio-economic development across the region.



**PETER CERDÁ**  
REGIONAL VICE PRESIDENT  
THE AMERICAS



## ARGENTINA: VOICING INDUSTRY CONCERNS TO ARGENTINA'S AMBASSADOR TO THE US

IATA participated in the Americas Society / Council of Americas briefing with Argentina's Ambassador to the US Jorge Arguello and raised various challenges the industry faces in the country: 1) Need for open dialogue on key issues and concerns; 2) Cost of doing business: The fees approved by the government in the last 12 months have had negative repercussions for the industry, travelers and for the government in its economic recovery. IATA highlighted that taxes currently make up nearly 50% of international tickets; 3) Repatriation of Funds: IATA stressed the importance for the Government not to impose restrictions on the industry and to ensure airlines are freely able to repatriate their funds. Ambassador Arguello acknowledged the challenges the business sector has experienced in Argentina during the past 3 years but commented that President Fernandez and Finance Minister Sergio Massa are looking at ways to remove taxes and improve on collaboration in the future. It was agreed that IATA will keep the Ambassador informed regarding future campaigns in Argentina and seek his help when needed. For more details, please contact IATA's Regional Director, External Affairs & Sustainability, [Oracio Marquez](#).



Embajada Argentina  
en Estados Unidos de América

## BRAZIL: DECISION OF SUPREME COURT ON THE APPLICATION OF INTERNATIONAL TREATIES

Brazil's Supreme Court (STF) recently ruled in an airline case that the Warsaw/Montreal Convention would not apply to situations involving compensation for moral damages arising from international air transport contracts. This ruling was established in an Extraordinary Appeal (RE), which has a general repercussion (erga omnes) and was in response to a lawsuit filed in the Court of São Paulo State (TJSP) claiming moral damages under the Consumer Protection Code (CDC) due to delay and baggage lost on an international flight. IATA, fellow associations and airlines' legal representatives have been discussing the implications of this ruling for the litigation actions in Brazil as there is room to continue defending the arguments that moral damages should not be applicable to all situations since it must be proven, or that the fact can be caused by circumstances beyond the airline's control. For details, please contact IATA's Assistant Director of External Relations for Brazil, [Marcelo Pedroso](#).

STF

SUPREMO  
TRIBUNAL  
FEDERAL

## CANADA: DECISION TO ONLY ALLOW DOGS TO BE TRANSPORTED AS EMOTIONAL SUPPORT ANIMALS

The Canadian Transportation Agency (Agency) issued a [decision](#) related to the transportation of Emotional Support Animals (ESAs). The Agency found on a preliminary basis that only dogs can be transported by air as emotional support animals. Parties and other interested persons who wish to comment on the preliminary findings can consult the decision for further instructions. Please refer to [this link](#) and contact IATA's Vice President, Member & External Relations, North America, [Doug Lavin](#) for more information.



CANADIAN  
TRANSPORTATION  
AGENCY

## COLOMBIA: URGED AUTHORITIES TO REVERT VAT INCREASE ON TICKETS & FUEL

IATA met with the Minister of Transport to present the impact of raising the Value-Added Tax (VAT) on tickets and fuel to 19% and urged the authorities to revert these down to 5% as declared during the first two years of the pandemic. IATA will also table a proposal to include SAF and VAT reductions in Colombia's National Development Plan. For more details, please contact IATA's Country Manager for Colombia, [Paula Bernal](#).



## DOMINICAN REPUBLIC: UPDATE ON TOURISM TAX- RESOLUTION 217-2022

The Junta de Aviación Civil (JAC) has declared inadmissible the reconsideration recourses filed by select airlines requiring airlines to change their systems to exempt DR citizens and residents from paying the US\$10 tourism tax. The majority of these airlines have already appealed the decision with the Superior Administrative Court. Additionally, the first meeting of the technical working group was convened by the JAC to discuss the challenges surrounding the implementation requirements of the resolution. Due to the monumental technical effort required by the industry to comply with the resolution, industry specialists re-emphasized the impossibility of meeting the March 1 deadline. IATA followed up in writing to the JAC urging the government of the Dominican Republic to consider that aviation operations require standardization to facilitate industry efficiency and to reevaluate their imposition of the resolution on airlines. For more details, please contact IATA's Area Manager for the Caribbean, [Annaleen Lord](#).



JAC



## ECUADOR: MUNICIPAL ELECTIONS OUTCOME COULD NEGATIVELY IMPACT ADVOCACY FOR LOWER AIRPORT CHARGES



As a follow-up to commitments reached with the government of Ecuador during the Aviation Day in Quito in 2022, IATA continues advocating with key stakeholders towards better connectivity as well as lower costs and taxation in the country. While the central government has been receptive of industry calls to promote connectivity, they have little to no influence on airport charges, which depend on concessions managed by the municipalities of Quito and Guayaquil. Municipal elections were held on 5 February and the results in both Quito and Guayaquil shifted towards candidates close to a former government that enacted several taxes and charges that were detrimental to aviation. This could present an additional challenge in the industry's cost reduction strategy. IATA will reach out to the newly elected officials to showcase the importance of aviation to the respective communities. For more details, please contact IATA's Manager, Industry Relationships for Central America & Ecuador, [Lucas Castellon](#).

## MEXICO: DECREE ON TERMINATING CARGO OPERATIONS AT MEXICO CITY INTERNATIONAL AIRPORT (MEX)



The Government issued an official decree on February 2 extending the timeframe to cease dedicated cargo operations at Mexico City International Airport (MEX) from the original 90 working days to 108 working days which was one of the main requests from the industry in its call to the government for a mutually agreed transition plan. In response to the initial draft decree, IATA had issued a [press release](#) and urged the Mexican Government to devise a feasible joint transition plan. After some dialogue with the authorities, IATA then [reaffirmed](#) the industry's commitment to work with authorities in Mexico to ensure a successful transfer of dedicated cargo operations. For more details, please contact IATA's Interim Country Manager for Mexico, [David Hernandez](#).

## MEXICO: GOVERNMENT PROPOSAL TO MODIFY CIVIL AVIATION LAW TO ALLOW CABOTAGE FLIGHTS



In late December, President Lopez Obrador proposed a modification of the Civil Aviation Law and the Airports Law for discussion in the Transport Commission of Congress. The bill includes important amendments to the aviation policy in Mexico, such as the possibility for foreign airlines to operate cabotage flights under specific conditions, the possibility for federal agencies to provide domestic air transport service under specific requisites, the increase of certain fines for not complying with these laws, including consumer protection regulations, amongst others. Congress has not yet started its discussion on the bill. IATA and CANAERO are preparing a joint position to present to the Transport Commission of Congress. For details, please contact IATA's Interim Country Manager for Mexico, [David Hernandez](#).

## NORTH ATLANTIC: RESPONSE FROM DANISH AUTHORITIES ON DENICE ATC RATE HIKES



As a response to IATA [calling](#) on both the Danish and Icelandic Air Navigation Service Providers (ANSP) to revoke the increases in air traffic charges that came into effect on January 1 without the airlines' consent and expressing the industry concerns to the Ministers of Transport of both countries, the Danish Ministry of Transport finally responded at the end of January. The Danish authorities noted the implementation of the charge increases in January and acknowledged the "*unfortunate misunderstanding regarding the date for the meeting in September 2022*" while noting "*extraordinary user consultation has been proposed to take place in March or April 2023*". IATA has followed up with all impacted stakeholders to discuss and plan appropriately for the proposed user consultation meeting. For details, please contact IATA's Chargers Manager for the Americas, [Guillermo Rodriguez](#).

## PERU: PROJECT OF LAW TO PROHIBIT AIRLINES FROM CHARGING FOR SEATS



As previously informed, a project of law was filed in Congress during 2022 intended to prohibit airlines from charging for seats on domestic and international flights and additionally proposing to establish the right for passengers to fly with a 10 kg carry-on luggage at no additional cost. The President of the Transport and Communications Commission of Congress requested a formal industry position from IATA to be considered during the discussion of the bill. IATA and AETAI are preparing the documents to be filed in the Transport and Communications Commission to express our concerns about the potential negative effects of the bills. For details, please contact IATA's Country Manager for Peru & Bolivia, [Martin la Rosa](#).

## PERU: DELIVERY OF NEW LIM CONTROL TOWER



In line with the information reported by the Ministry of Transport and Communications (MTC) about the agreements reached with the concessionaire Lima Airport Partners (LAP), on February 6 the new LIM control tower was officially delivered by LAP to the Peruvian Corporation of Airports and Commercial Aviation (CORPAC). It was also informed that the start of operations of the new control tower and the second runway will be on April 1, 2023. Technical working groups have been formed in which IATA, airlines, LAP, CORPAC and MTC are reviewing and coordinating efforts to implement the best possible operational conditions and efficiencies of the new infrastructure. For details, contact IATA's Assistant Manager, Industry Relationships, Peru, [Jorge Villaseca](#).

## THE BAHAMAS: UPDATE ON FIR CHARGING SCHEME



At the end of December, Airlines for America (A4A) and its members filed a joint complaint to the US Department of Transportation (DoT), under the International Air Transportation Fair Competitive Practices Act against the Commonwealth of the Bahamas and several Bahamian airlines, referencing unreasonable charges levied on all airlines flying over The Bahamas' airspace. Other Associations and individual airlines have filed their support and approval to A4A's complaint; while the Government of the Bahamas has also submitted their comments. DoT has until February 19 to approve, deny, dismiss or set a complaint for hearing or investigation. In parallel, IATA requested a face-to-face meeting with the Government of the Bahamas who have stated that while they are willing to meet with IATA, they will prefer to await the outcome of the discussions between DoT and the Bahamas Government. IATA will monitor the advancement of the complaint and urge the Bahamians to bring the industry back to the table for a new consultation on the charging scheme. For details, please contact IATA's Area Manager for the Caribbean, [Annaleen Lord](#).

## UNITED STATES: 5G UPDATE



IATA's Director General wrote a [letter](#) to Secretary of Transportation Pete Buttigieg and Acting FAA Administrator Billy Nolen on February 2, urging the US Government to change its approach to the issue of 5G C Band interference with aircraft radio altimeters. Rather than setting unattainable retrofit deadlines, IATA urged all parties (airlines, OEMs & US Government) to work together to identify a rational project plan that can be implemented to meet all parties' needs. Separately, IATA submitted comments to the FAA on its proposed Airworthiness Directive (AD) that mandates retrofits of most commercial aircraft by July 2023. IATA is opposed to the AD because the retrofit targets are not achievable given supply chain challenges. For more details, please contact IATA's Vice President, Member & External Relations for North America, [Doug Lavin](#).

## IATA PAY SOLUTION LIVE IN BRAZIL AND MEXICO



[IATA Pay](#), IATA'S white label instant payment solution, is live in Brazil and Mexico. Leveraging on partnerships with PIX and CoDi, already popular in these markets, airlines can now offer this form of payment to its customers on their direct sales channels. Cash acceleration, high security, cost-efficiency, single integration and real time refund capabilities are just a few of the benefits. IATA Pay is available in 23 markets worldwide and 28 markets are in the pipeline to go live in 2023. For details, please contact IATA's Manager, Transformation & Products, [Karina Medeiros](#).